GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:447
ANSWERED ON:20.11.2002
EXPORT GROWTH IN IT SECTOR
A. VENKATESH NAIK

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) the export growth registered by IT sector during the first half of current fiscal as compared to the corresponding period;

(b) whether there is any proposal to formulate a new medium and long term IT Policy for the growth of the sector in the next five years;

(c) if so, the details thereof;

(d) the role envisaged for private sector in IT development; and

(e) the steps taken by the Government to encourage private sector in IT Development?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY(DR. SANJA PASWAN)

(a): The IT sector has registered an export growth of 20.76% in rupee terms during the first half of 2002-2003 over the corresponding period last year.

(b) and (c): No, Sir. However, as a result of continuing liberalization and economic reforms programme of the Government since 1991, Industrial Licensing has been abolished for the IT sector, all the IT products are freely importable and import duties are being brought down to zero% in a phased manner. Upto 100% Foreign Direct Investment is permitted in this sector, except Business to Consumer (B2C) e-Commerce. The Export Oriented Units (including Electronics Hardware Technology Park (EHTP) and Software Technology Park (STP) units are eligible for Income Tax benefit on export profits under Sections 10A and 10B of the Income Tax Act. The STP Scheme designed to promote exports of software and services is working successfully and the EHTP Scheme has been modified to enable the hardware industry to meet the challenge of zero duty regime on import of IT products by 2005.

(d) and (e): In the liberalized economic environment, the private sector has a big role to play in IT development. The steps taken by the Government to promote the IT sector are given in Annexure.